

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CITY OF JEFFERSONVILLE

COMPLAINANT

v.

MONTGOMERY COUNTY WATER  
DISTRICT NO. 1

DEFENDANT

)  
)  
)  
)  
) CASE NO. 97-377  
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ORDER TO SATISFY OR ANSWER

Montgomery County Water District No. 1 ("Montgomery No. 1") is hereby notified that it has been named as defendant in a formal complaint filed on September 2, 1997, a copy of which is attached hereto.

Pursuant to 807 KAR 5:001, Section 12, Montgomery No. 1 is HEREBY ORDERED to satisfy the matters complained of or file a written answer to the complaint within 10 days from the date of service of this Order.

Should documents of any kind be filed with the Commission in the course of this proceeding, the documents shall also be served on all parties of record.

Done at Frankfort, Kentucky, this 19th day of September, 1997.

ATTEST:

Don Mills  
Executive Director

PUBLIC SERVICE COMMISSION

Linda K. Branstetter  
Chairman

[Signature]  
Vice Chairman

B. J. Helton  
Commissioner

COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION  
CASE NO. 97-377

RECEIVED  
SEP - 2 1997  
PUBLIC SERVICE  
COMMISSION

CITY OF JEFFERSONVILLE  
7900 Main Street  
Jeffersonville, Kentucky 40337

PLAINTIFF

VS.

COMPLAINT

MONTGOMERY COUNTY WATER DISTRICT NO. 1  
4406 Camargo Road  
Mt. Sterling, Kentucky 40353

DEFENDANT

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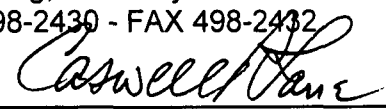
The Plaintiff, by counsel, for its Complaint herein, states as follows:

1. The plaintiff, City of Jeffersonville, Kentucky, owns and operates a water distribution system.
2. The defendant, Montgomery County Water District No. 1, also owns and operates a water distribution system.
3. The source of water for both systems is the Mt. Sterling Water & Sewer System.
4. The parties to this Complaint entered into an Agreement (a copy of which is attached hereto marked Exhibit 'A'), to jointly construct a water line from Mt. Sterling which reaches the defendant's service initially. The parties further agreed that defendant would purchase the water from Mt. Sterling and resell it to plaintiff at five cents above cost.
5. As a result of the Agreement, the water line was constructed by the parties and defendant then supplied water to plaintiff. However, defendant is now billing plaintiff for water supplied at the same price charged to all customers.
6. The plaintiff expended considerable sums to contract the line described in paragraph 4 and defendant refuses to comply with the Agreement.

WHEREFORE, plaintiff asks for an Order from the Public Service Commission directing Montgomery County Water District No. 1 to comply with the Agreement by only billing plaintiff for water at their cost plus five cents.

WILLIAMSON, LANE & LANE  
50 Broadway  
Mt. Sterling, Kentucky 40353  
(606) 498-2430 - FAX 498-2432

By: \_\_\_\_\_

  
Caswell P. Lane  
Attorney for City of Jeffersonville

*Montgomery Co. Water*

## WATER PURCHASE AGREEMENT

This Water Purchase Agreement made and entered into by and between Montgomery County Water District No. 1, Camargo Road, Mt. Sterling, KY. 40353, hereinafter referred to as "District"; and the City of Jeffersonville, Ky., City Hall, Jeffersonville, Kentucky 40337; hereinafter referred to as "City";

## WITNESSETH:

WHEREAS, City desires to improve the quality of water service to the customers within its service area by entering into a flow-through water arrangement with District; and

WHEREAS, City and District desire to set out the terms and conditions under which this arrangement will be accomplished; and

NOW, THEREFORE, the parties agree to the following terms and conditions:

1. Upgrading system. The main water line running from Mt. Sterling to Camargo providing water to the service area of the District from the Mt. Sterling system is currently both 8 inch and 4 inch water line. City agrees to pay all costs associated with upgrading the existing 4 inch water line to an 8 inch line from District's tank to the eastern terminus (point of supply and metering station to the City) of the District's line.

In the event the Kentucky Department of Transportation reconstructs U.S. 460 requiring relocation of District's above described 4 inch line, City will pay the betterment value associated with the upgrade to an 8 inch line.

In the latter event District will endeavor to minimize costs to City by cooperating fully with the Kentucky Department of Transportation and City. District will assist with easement acquisition for the 8 inch

upgrade line from Camargo school (the end of existing 8 inch line) east on U.S. 460.

2. Master Meter. The City will install a new master meter station where it crosses Brushy Creek on US 460 <sup>1/2</sup> at point of supply and pay the full cost of construction and future maintenance, including the cost for meter testing which shall be done at five year intervals, or on evidence of inaccurate recording. This shall be a dual metering station having ability to meter water from City to District in emergency situations.

3. Service Amount. District agrees to provide to City a daily volume of water not to exceed 260,000 gallons. City and District both have water quantity allotments from the Mt. Sterling system. City shall assign its water quantity allotment to District for those gallons passing through District's system.

City agrees to provide the same water service to District in emergency conditions by turning on their pumps at Harpers Ridge and by drawing down on their tower. Cost to the District shall be the same as to City as hereinafter set out. City agrees to properly maintain the Harpers Ridge pumps at their expense.

4. Surcharge. The surcharge on water flowing through either system shall be five cents per thousand gallons <sup>9 m gal</sup>. The District will bill City by using the maximum usage category of the Mt. Sterling System's charges and adding the surcharge to it. The surcharge shall be reviewed every five years and adjusted upward as required based on demonstrative costs.

5. Cost Sharing. City will pay one half of the costs associated with maintenance and repairs of the transmission line and in line pressure reducing valve stations.

6. Chlorine. If the chlorine residual does not meet state standards when it comes through the meter at the point of supply to City, City will

be responsible for getting it up to state standards and shall pay for the costs associated including a chlorinator, if necessary.

6. Term. The term of this agreement shall be for 45 years from the date of execution or as written in the District's contract amendment with the Mt. Sterling water system.

7. Contingency. This agreement is contingent on FmHA approval.

WITNESS the signatures of the parties hereto on the day, month and year first above written.

Cara Easterling  
WITNESS

Bruce D. Binkley  
WITNESS

CITY OF JEFFERSONVILLE

BY: Josephine Martin

MONTGOMERY COUNTY WATER DISTRICT NO. 1

BY: John T. Richards

7/15/92

FmHA Concurrence:

By: James A. Letcher

James A. Letcher

Community and Business Programs

9-17-92

(Date)

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